THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (c) The Govemment of India has permitted the National Thermal Power Corporation (NTPC) to implement hydro projects to improve hydro thermal mix in the country for better peak load mangement and optimum utilisation of hydro resources. NTPC has entered into an agreement with the Govemment of Himachal Pradesh and Himachal Pradesh Electricity Board for construction and operation of the 800 MW Kol Dam-Hydro-Electric Power Project. NTPC has already initiated work on the development of the project.

Honouring the Counter Guarantee by Government

1253. SHRI RAVI SHANKAR PRASAD: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that Government have honoured its counter guarantee in respect of non-payment of dues by Maharashtra State Electricity Board to the Enron-promoted Dabhol Power Corporation;

(b) if so, the extent of such counter guarantee borne by the Govemment of India and whether it will also fulfil such guarantee in case of MSEB further default in payment of dues to the Dabhol Power Corporation; and

(c) if so, what steps Govemment propose to take to avoid this crisis permanently?

THE MINISTER OF STATE INTHE MINISTRY OF POWER (SHRI MATI JAYAWANTI MEHTA): (a) and (b) M/s Dabhol Power Company (DPC) on 25.1.2001, invoked the Guarantee given by Govemment of Maharashtra (GOM) for recovery of an outstanding sum of around Rs. 89 crores towards the bill raised by DPC on Maharashtra State Electricity Board (MSEB) pertaining to November, 2000. Due to failure by GOM, as the primary guarantor, to make the said payments, DPC also invoked the guarantee given by Govemment of India (GOI) by placing a demand under the provisions of the said GOI guarantee for recovery of the outstanding dues from MSEB pertaining to the bill for November, 2000. However, MSEB have since paid the outstanding clues to DPC towards the bill for November, 2000 and, therefore, the need for making any payments to DPC under the Government of India guarantee did not arise. Under the provisions of the counter guarantee, the GOI is obliged to make payment to DPC in default of payment by MSEB and GOM. The liability of GOI is limited to Rs. 1500 crores (subject to suitable adjustments on account of inflation etc.) in a financial year towards payment of capacity and energy payment and aggregate of all principal

outstanding under the financing agreement, limited to US$ 300 million, as termination charges.

(c) GOM, *vide* their resolution dated 9.2.2001, have constituted an Energy Review Committee under the Chairmanship of Dr. Madhav Godbole, Ex-Home Secretary, Govemment of India (GOl).The terms of reference of the Committee are as follows:—

(i) To review the position of overall demand and supply of electric power in the State, with special reference to the supply of power by projects of independent power producers and purchase thereof by the MSEB for which Power Purchase Agreements (PPA) have either been signed or are proposed.

(ii) To examine the cost of power supplied by the DPC and the distribution of power losses and its implications on the finances/tariff of MSEB.

(iii) To review and reconsider the provisions of the PPA signed with the DPC after holding discussions with the said Company, the MSEB and related authorities and to suggest appropriate measures to facilitate purchase of the power produced by the DPC by other agencies / parties (including Government of India or their agencies).

(iv) To suggest the broad future course of action for reforms in the energy sector in the State.

(v) Any other matter which the State Govemment may consider necessary to refer to the Committee in the above-mentioned context.

The report of the Committee will be submitted to the Govemment of Maharashtra. The question of talcing any action by the Govemment of India would arise only after receipt of proposals from the GOM.

Electrification of Villages

1254. SHRI LEKHRAJ BACHANI:
SHRIV.P.DURAISAMY:

Will the Minister of POWER be pleased to state:

(a) the number of inhabited villages in the country according to 1991 census;

(b) the number out of the above villages electrified till 1998;